

### New Market Tax Credits

New Market Tax Credits are given to qualified equity investment made to acquire stock in a corporation or a capital interest in a partnership that is a qualified community development entity (CDE). Under current law, there are \$3.5 billion of New Markets Tax Credits available for each of 2008 and 2009. The provision increases the available credits for 2008 to \$5 billion and the available credits for 2009 to \$5 billion. (from [Full Summary of Provisions from the Senate Finance and House Ways & Means Committees](#))

**How to Apply:** This tax credit will go directly to state certified CDE's.

### Recovery Zone Bonds

The bill would create a new category of tax credit bonds for investment in economic recovery zones and expand access to tax-exempt bonds. The bill would authorize \$10 billion in tax credit recovery zone economic development bonds and \$15 billion in tax-exempt recovery zone facility bonds. These bonds could be issued during 2009 and 2010. Each state would receive a share of the national allocation based on that state's job losses in 2008 as a percentage of national job losses in 2008 (each state will receive a minimum allocation of these bonds). These allocations would be sub-allocated to local municipalities. Municipalities receiving an allocation of these bonds would be permitted to use these bonds to invest in infrastructure, job training, education, and economic development in areas within the boundaries of the State, city or county (as the case may be) that has significant poverty, unemployment or home foreclosures. Allocation amounts will be announced by the Department of Treasury. (from [Guide to Tax Credit and Tax Exempt Bond Programs](#))

**How to Apply:** Please check [www.treasury.gov/recovery](http://www.treasury.gov/recovery) for more information as they implement this program.

### **Tribal Economic Development Bonds**

Under current law, tribal governments are limited in their ability to issue tax-exempt bonds. Projects funded by bonds issued by tribal governments must satisfy an “essential governmental function” requirement. This requirement is not imposed on projects funded by bonds issued by State and local governments, and can limit the ability of tribal governments to use tax-exempt bonds for economic development. The bill would temporarily allow tribal governments to issue \$2 billion in tax-exempt bonds for projects without this restriction in order to spur economic development on tribal lands, and would require the Secretary of the Treasury to study whether this restriction should be repealed on a permanent basis. Allocation amounts will be announced by the Department of Treasury. (from [Guide to Tax Credit and Tax Exempt Bond Programs](#) )

**How to Apply:** Please check [www.treasury.gov/recovery](http://www.treasury.gov/recovery) for more information as they implement this program.

## **Modify Speed Requirement for High-Speed Rail Exempt Facility Bonds**

Under current law, States are allowed to issue private activity bonds for high-speed rail facilities. Under current law, a high-speed rail facility is a facility for the transportation of passengers between metropolitan areas using vehicles that are reasonably expected to operate at speeds in excess of 150 miles per hour between scheduled stops. The bill would allow these bonds to be used to develop rail facilities that are used by trains that are capable of attaining speeds in excess of 150 miles per hour. (from [Guide to Tax Credit and Tax Exempt Bond Programs](#) )

**How to Apply:** This provision adds to the definition of an existing bond.